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In response to D's inquiry B said he had forgotten the name of his vendor, but would get the name if D wished. D did not insist, but if he had done so and had inquired from P he would have learned of the fraud. In an action of replevin, *held,* D was a bona fide purchaser and thus protected. *Hoham* v. *Aukerman-Tuesburg Motors* (Ind., 1922), 133 N. E. 507.

That one who has a voidable title and possession of a chattel can pass an indefeasible title to a bona fide purchaser seems well settled. *Truxton* v. *Fait & Slagle Co.,* 1 Pennewill (Del.) 483; 9 MICH. L. REV. 239, note. But what constitutes good faith is more or less undetermined. Under the Uniform Sales Act, § 76 (not in force in Indiana), a thing is done in good faith when it is in fact done honestly, whether it be done negligently or not. With this indication of the legislative attitude toward good faith, perhaps one should not quarrel with a court which reaches the same conclusion. The distinction between what a purchaser knows and what he ought to know is pointed out in *Pierce* v. *O'Brien,* 189 Mass. 58. In the instant case there is no discussion of the matter, merely the bald assumption that the purchase was *bona fide.* In view of the large number of cars which are stolen daily it would seem that a buyer might well be put on inquiry by the sudden lapse of memory of his vendor as to where he obtained the car. Circumstances which would lead a prudent man to suspect an adverse claim will prevent a transaction from being *bona fide. Pringle* v. *Phillips,* 5 Sandf. (7 N. Y. Super.) 157. Whether there were such circumstances would seem to be a question of fact for the jury. See WILLISTON ON SALES, § 621; JONES ON THE POSITION AND RIGHTS OF A BONA FIDE PURCHASER FOR VALUE OF GOODS IMPROPERLY OBTAINED.

TAXATION—STOCK DIVIDENDS NOT TAXABLE AS INCOME.—Large profits of X corporation were capitalized and bonus stock issued to Blott and other stockholders. *Held* (two Lords dissenting), that such "stock dividends" were not taxable as "income" to stockholders under Finance Act, 1910. *Inland Revenue Commissioners* v. *Blott* [1921], 2 A. C. 171.

If the thing distributed consisted of stock in another corporation it is clear that such "stock dividends" would be taxed as "income." *Peabody* v. *Eisner,* 247 U. S. 347; *State* v. *Lee,* 172 Wis. 381. And the same result was reached in a very recent case where the shares of a new corporation were distributed to stockholders of the old under a transaction which was a mere financial reorganization of the corporation's business. *U. S.* v. *Phellis* (Nov. 21, 1921), 42 Sup. Ct. 63. The principal case accords with the leading American decision in point. *Eisner* v. *Macomber,* 252 U. S. 189 (four judges dissenting). Both cases apparently take the view that a "stock dividend" paid pursuant to a capitalization of profits is not "income" to the person receiving such dividend. The writers of the three prevailing opinions in the principal case considered the reasoning in *Eisner* v. *Macomber, supra,* relevant, but relied upon the case of *Bouch* v. *Sproule* (1877), 12 A. C. 385, which decided that as between life tenant and remainderman the latter was entitled to a stock dividend. The American decisions have not considered

that type of case to be in point. In Massachusetts it has been held that as between life tenant and remainderman "stock dividends" go to the latter, *Minot* v. *Paine,* 99 Mass. 101; but for the purpose of taxation they will be regarded as "income." *Tax Commissioner* v. *Putnam, 227* Mass. 522. *Swan Brewery Co., Ltd.,* v. *The King* [1914], A. C. 231, which presented the problem of the principal case, was distinguished on the ground that the Western Australian Act there involved was broader than the Finance Act of 1910, but in dissenting Lord Sumner pointed out that the language of the *Swan Brewery* case was applicable to the instant case. *Eisner* v. *Macomber, supra,* has been criticised both favorably and adversely. 18 MICH. L. REV. 689; 33 HARV. L. REV. 885 *et seq.* See also 20 MICH. L. REV. 560 for a recent Massachusetts decision *contra* the principal case. Parliament could pass an income tax law broad enough to reach "stock dividends." With us the problem is more difficult, for *Eisner* v. *Macomber* decided that a federal income tax law designed to reach "stock dividends" was unconstitutional in that the word "income" as used in the Sixteenth Amendment was not broad enough to include "stock dividends."

TORT—INDUCING BREACH OF CONTRACT—UNINCORPORATED UNION CHARGEABLE FOR ACTS OF ITS FINANCIAL SECRETARY.—Complainant hired employees only on condition that they should not belong to or join labor unions while in its employ. With knowledge of this, defendant's financial secretary directed a campaign of picketing, solicitation accompanied with threats, and in some cases actual violence, with aim eventually to unionize complainant's shop. In a suit for an injunction, brought against the union local, defendant denied the representative capacity of the secretary, and he professed to have acted as an individual unionist. *Held,* granting injunction, defendant union is chargeable for the acts of its financial secretary. *Cyrus Currier & Sons* v. *International Molders' Union of North America, Local No. 40* (N. J., 1921), 115 Atl. 66.

In the absence of statute an unincorporated labor union cannot sue or be sued in its common name. MARTIN, THE MODERN LAW OF LABOR UNIONS, § 214; *Diamond Block Coal Co.* v. *United Mine Workers of America,* 188 Ky. 477. Statutes in the various states have generally modified this rule, some authorizing actions by or against officers of unincorporated associations in a representative capacity, the judgment binding all members as a class. *Tracy* v. *Banker,* 170 Mass. 266; *Russell & Sons* v. *Stampers & Gold Leaf Local Union,* 107 N. Y. Supp. 303. The New Jersey statute provides that unincorporated associations may be sued in their recognized names, that papers may be served on the president or other officer in charge, and that such action shall have the same effect as if prosecuted against all members. The precise point involved in the instant case could arise only under statutes of the latter type, and does not appear to have been decided heretofore. The defendant in its answer adopted most of the activities of the secretary as having been carried on in its behalf, but denied legal liability therefor. The court, however, said: "The defendant local is an unincorporated organization of men—a copartnership—bound together for the attainment of worthy